



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

State Capitol Building
Des Moines, Iowa 50319-0006
Telephone (515) 281-5834 Facsimile (515) 281-6518

Rob Sand
Auditor of State

NEWS RELEASE

FOR RELEASE

September 25, 2019

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department for the Blind for the year ended June 30, 2018.

The Iowa Department for the Blind is a statewide organization offering specialized, integrated services which blind and severely visually impaired Iowans need to live independently and work competitively.

Sand recommended the Iowa Department for the Blind review its policies and procedures over accounts receivable and capital assets to ensure completeness and accuracy of reported financial information. The Department's responses to the recommendations are included in the report.

A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT OF RECOMMENDATIONS TO THE
IOWA DEPARTMENT FOR THE BLIND**

JUNE 30, 2018

Iowa Department for the Blind



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September 20, 2019

Iowa Department of the Blind
Des Moines, Iowa

To Emily Wharton, Director of the Iowa Department for the Blind:

I am pleased to submit to you this Report of Recommendations for the Iowa Department of the Blind for the year ended June 30, 2018. The report includes findings pertaining to the Department's internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2018 audit.

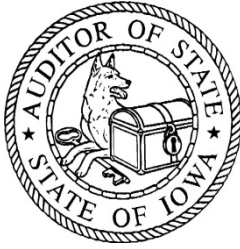
I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of the Blind throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Sand".

Rob Sand
Auditor of State

Iowa Department of the Blind



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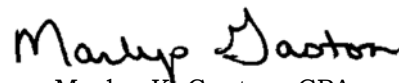
To Emily Wharton, Director of the
Iowa Department for the Blind:

The Iowa Department for the Blind is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2018.

In conducting our audits, we became aware of certain aspects concerning the Department's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following page. We believe you should be aware of these recommendations pertaining to the Department's internal control and compliance with statutory requirements and other matters. These recommendations have been discussed with Department personnel and their response to these recommendations are included in this report. While we have expressed our conclusion on the Department's response, we did not audit the Iowa Department for the Blind's response and, accordingly, we express no opinion on it.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department for the Blind, citizens of the State of Iowa and other parties to whom the Iowa Department for the Blind may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Iowa Department for the Blind during the course of our audits. Should you have questions concerning the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Department are listed on page 6 and they are available to discuss these matters with you.


Marlys K. Gaston, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Department for the Blind
June 30, 2018

Findings Reported in the State's Single Audit Report:

No matters were noted.

Findings Reported in the State's Report on Internal Control:

No matters were noted.

Other Findings Related to Internal Control:

- (1) Financial Reporting - Departments record receipts and disbursements in the Integrated Information for Iowa (I/3) system throughout the year, including the accrual period. Activity not recorded in the I/3 system is reported to the Iowa Department of Administrative Services – State Accounting Enterprise (DAS–SAE) in a GAAP package. The GAAP package is to be submitted to DAS–SAE by the first week of September each year.

The Department did not disclose all accrual activity in the GAAP package. As a result, accounts receivable were understated by approximately \$88,000.

Recommendation – The Department should establish procedures to ensure all accounts receivable are identified and properly reported in the GAAP package.

Response – For FY 2018 the accounts receivable balance was calculated as of the 8/31/18 postings. This missed the amounts recorded through the hold open period ending the first week of September. Going forward accounts receivable amounts will be calculated at the end of the hold open period.

Conclusion- Response accepted.

- (2) Capital Assets – Chapter 7A.30 of the Code of Iowa requires each department of the state to maintain a written, detailed and up-to-date inventory of property under its charge and control. The following findings were noted:

- (a) Accumulated depreciation was understated by approximately \$12,000 due to depreciation expense being improperly calculated on five of ten capital assets tested.
- (b) A vehicle deletion for approximately \$19,000 was not properly taken off the capital asset listing.
- (c) Three assets for approximately \$32,000 were not properly included on the capital asset listing.

Recommendation – The Department should ensure a detailed, up-to-date capital asset listing is maintained. Accumulated depreciation should be properly calculated and recorded.

Response – An adjustment will be entered on the FY 2019 GAAP package to correct the FY 2018 depreciation. Before calculating depreciation, the capital asset listing will be confirmed against the I/3 system, purchasing documentation and the physical inventory

Report of Recommendations to the

Iowa Department for the Blind

June 30, 2018

count. Any purchases of new equipment during the fiscal year will be documented and depreciation will be recorded from the month in which the asset is purchased, prorated for the partial year. Depreciation calculations will be verified by a second employee. This policy will be recorded in the GAAP package file to be followed each year.

Conclusion- Response accepted.

Finding Related to Statutory Requirements and Other Matters:

- (1) Iowa Code Compliance – Chapter 7E.3 of the Code of Iowa requires, unless provided by law, a report should be submitted in November of each year to the Governor and Legislature on the operation of the department during the fiscal year concluded on the preceding June 30. The Department did not submit the annual report for the activity related to June 30, 2018.

Recommendation – The Department for the Blind should establish procedures to ensure required reports are submitted on a timely basis in compliance with the Code of Iowa.

Response – Every year the annual report will be submitted.

Conclusion – Response accepted.

Report of Recommendations to the

Iowa Department for the Blind

June 30, 2018

Staff:

Questions or requests for further assistance should be directed to:

Pamela J. Bormann, CPA, Manager
Sarah K. Nissen, Staff Auditor

Other individuals who participated in the audits include:

Alex W. Case, Senior Auditor
Nicholas J. Gassman, Staff Auditor
Edward J. Schroeder, Staff Auditor
Kile J. Bean, Assistant Auditor
Kasey L. Bunce, Assistant Auditor